

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1152 - SB 1337**

March 9, 2009

**SUMMARY OF BILL:** Authorizes certain students who did not meet the academic requirements for initial eligibility for the HOPE Scholarship to subsequently qualify for the scholarship if the student is admitted to and enrolled in an eligible postsecondary institution within 16 months of graduation from high school or obtaining a GED, the student attempted at least 12 semester hours and achieved a cumulative grade point average of at least 2.75, and the student met all other eligibility requirements for the scholarship.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$3,771,000 in FY09-10 and by \$10,889,000 in FY10-11.**

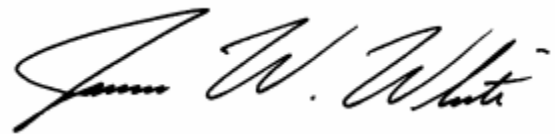
Assumptions:

- The first semester in which students could subsequently earn the HOPE Scholarship after failing to qualify initially for the scholarship would be the spring semester of 2010.
- The HOPE award for students attending eligible four-year institutions is \$2,000 per semester (\$4,000 per year); the award for students attending eligible two-year institutions is \$1,000 per semester (\$2,000 per year).
- According to the Tennessee Student Assistance Corporation (TSAC), there would be approximately 981 students attending four-year institutions that would qualify for the HOPE scholarship for the spring semester of 2010; approximately 1,809 students attending two-year institutions will qualify for the HOPE Scholarship for the spring semester of 2010.
- The increase of expenditures from lottery proceeds for the spring semester of 2010 (FY09-10) is estimated to be \$3,771,000  $[(981 \times \$2,000) + (1,809 \times \$1,000) = \$3,771,000]$ .

- According to TSAC, approximately 911 of the four-year students from the spring semester of 2010 will retain the HOPE Scholarship for the 2010-11 academic year; approximately 1,682 of the two-year students from the spring semester of 2010 will retain the HOPE Scholarship for the 2010-11 academic year.
- According to TSAC, there would be approximately 1,009 additional four-year students who fail to qualify for the HOPE Scholarship for the fall semester of 2010, but subsequently qualify for the spring semester of 2011; 1,863 additional two-year students will subsequently qualify for the spring semester of 2011.
- The total increase of expenditures from lottery proceeds for the 2010-11 academic year (FY10-11) is estimated to be \$10,889,000 [(911 x \$4,000) + (1,682 x \$2,000) + (1,009 x \$2,000) + (1,863 x \$1,000) = \$10,889,000].

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc